

**LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS**

Financial Report

Years Ended December 31, 2010 and 2009

*Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.*

Release Date **SEP 28 2011**

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## Darnall, Sikes, Gardes Frederick

(A Corporation of Certified Public Accountants)

### INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Louisiana Association of Planning  
and Development Districts  
Lafayette, Louisiana

We have audited the accompanying statement of financial position of the Louisiana Association of Planning and Development Districts (LAPDD) (a nonprofit organization) as of December 31, 2010 and 2009, and the related statement of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Association of Planning and Development Districts, as of December 31, 2010 and 2009, and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 23, 2011; on our consideration of the Louisiana Association of Planning and Development Districts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The Louisiana Association of Planning and Development Districts has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Dannall, Sikes, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana

August 23, 2011

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

Statement of Financial Position  
December 31, 2010 and 2009

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash in bank	\$ 65,151	\$ 7,990
Certificate of deposit	26,223	26,000
Accounts receivable	500	-
Grant receivable	41,847	-
Interest receivable	<u>25</u>	<u>25</u>
Total assets	<u>\$ 133,746</u>	<u>\$ 34,015</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 12,010
Payable to members	<u>27,029</u>	<u>-</u>
	27,029	12,010
NET ASSETS-UNRESTRICTED	<u>106,717</u>	<u>22,005</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 133,746</u>	<u>\$ 34,015</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

Statement of Activities  
For The Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
REVENUES AND GAINS:		
Local funds	\$ 4,000	\$ 4,000
State revenue	306,055	20,000
Interest income	<u>224</u>	<u>905</u>
Total revenues and gains	<u>310,279</u>	<u>24,905</u>
EXPENDITURES		
Administrative fee	2,632	23,325
Audit expense	4,350	4,285
Meeting expense	1,895	1,104
Secretarial expense	-	2,000
Grant expense DEQ	158,190	-
Grant expense EDA	58,500	-
Miscellaneous expense	<u>-</u>	<u>31</u>
Total expenditures	<u>225,567</u>	<u>30,745</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	84,712	(5,840)
NET ASSETS - BEGINNING OF YEAR	<u>22,005</u>	<u>27,845</u>
NET ASSETS - END OF YEAR	<u>\$ 106,717</u>	<u>\$ 22,005</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

Statement of Cash Flows  
For The Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ <u>84,712</u>	\$ <u>(5,840)</u>
Change in current assets and liabilities		
Certificate of deposit	(223)	(1,000)
Accounts receivable	(500)	1,000
Interest receivable	-	95
Grant receivable	(41,847)	-
Accounts payable	<u>15,019</u>	<u>6,360</u>
Net cash provided (used) in operating activities	<u>(27,551)</u>	<u>6,455</u>
NET INCREASE IN CASH	57,161	615
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	<u>7,990</u>	<u>7,375</u>
CASH AND EQUIVALENTS, END OF PERIOD	<u>\$ 65,151</u>	<u>\$ 7,990</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Organization

The Louisiana Association of Planning and Development Districts (LAPDD) is a viable statewide organization serving all 64 parishes in the State. The eight sub-state regional planning and development districts are members of the organization. The district organizations are composed of professionals working for the growth and development of their areas. LAPDD represents the interests of the Districts in both planning and economic development programs. Each agency is a separate, regional professional organization staffed in diverse fields.

B. Financial Statement Presentation

LAPDD follows Statement of Financial Accounting Standards SFAS No. 117, "Financial Statements of Not-for-Profit Organizations (ASC 958-205)," with regard to its financial statement presentation. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Contributions

LAPDD records its public support in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made (ASC 958-605-05-3)." In accordance with ASC 958-605-05-3, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

D. Income Taxes

LAPDD qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, LAPDD has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

E. Donor-Restricted Funds

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same reporting period in which contribution is received, the entity reports the support as unrestricted.



LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2010 and 2009.

G. Donated Services

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Subsequent Events

In May 2009, the FASB issued SFAS No. 165, Subsequent Events (ASC 855) which establishes general standards for accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. We have evaluated events subsequent to the balance sheet through August 23, 2011, the date the financial statements were available to be issued.

NOTE 2 BOARD OF DIRECTORS

All services provided by board members of the Association are on a voluntary basis and they receive no compensation for serving as a director or officer nor do they receive any per diem or travel allowances.

NOTE 3 ECONOMIC DEPENDENCY

The association receives a substantial portion of its revenues from grants, state revenues and local dues payments from its member districts. Any substantial change in any of these components could have adverse effects on the Association's financial condition.

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

The association has cash and interest-bearing deposits (bank balances) as follows:

	<u>2010</u>	<u>2009</u>
Unrestricted:		
Demand deposits	\$ 123,651	\$ 7,990
Interest-bearing deposits	<u>26,223</u>	<u>26,000</u>
Total unrestricted cash	<u>\$ 149,874</u>	<u>\$ 33,990</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

	<u>2010</u>	<u>2009</u>
Bank balances	\$ 149,874	\$ 33,990
Federal deposit insurance	<u>250,000</u>	<u>250,000</u>
Balance uninsured	(100,126)	(216,010)
Pledged securities (category 3)	<u>-</u>	<u>-</u>
Excess FDIC insurance and pledged securities over cash and investments	<u>\$ (100,126)</u>	<u>\$ (216,010)</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the pledging institution, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.



## Darnall, Sikes, Gardes Frederick.

(A Corporation of Certified Public Accountants)

### Report on Internal Control over Financial

Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

The Board of Directors  
Louisiana Association of Planning  
and Development Districts (LAPDD)  
Lafayette, Louisiana

We have audited the financial statements of the Louisiana Association of Planning and Development Districts (LAPDD), as of and for the year ended December 31, 2010, and have issued our report thereon dated August 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Association of Planning and Development Districts' (LAPDD's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LAPDD's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LAPDD's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above and is listed in the accompanying schedule of findings and questioned costs as item 10-1.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAPDD's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 10-2.

LAPDD's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit these responses and, accordingly, we express no opinion on them.

This report is intended solely for the information of the Board, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dannall, Sikes, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana  
August 23, 2011

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2010

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on Louisiana Association of Planning and Development Districts' financial statements as of and for the year ended December 31, 2010.

Significant Deficiencies - Financial Reporting

There was one significant deficiency in internal control over financial reporting disclosed during the audit of the financial statements and is shown as item 10-1 in Part 2, and is considered a material weakness.

Material Noncompliance - Financial Reporting

The results of our tests disclosed one instance of material noncompliance which is required to be reported under Government Auditing Standards which is shown as item 10-2 in Part 2.

FEDERAL AWARDS

Major Program Identification

This section is not applicable for the year ended December 31, 2010.

Part II: Findings Relating to the Audit in Accordance with *Government Auditing Standards*

10-1 Segregation of Duties

Finding:

Due to the small number of personnel, the Louisiana Association of Planning and Development District did not have adequate segregation of duties within the accounting department.

Recommendation:

Based on the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2010

Part II: Findings Relating to the Audit in Accordance with *Government Auditing Standards*  
(Continued)

10-2 Timeliness of Audit Report Filing

Findings: The engagement was not completed within six months of the close of the year as required due to information not being available in a timely manner.

Recommendation: We recommend that management monitor the deadline for the submission of audit information to provide the auditor the information necessary to complete the audit within the required time frame in order to comply with applicable Louisiana Revised Statutes.

Part III: Findings and Questioned Costs Relating to Federal Programs

At December 31, 2010, the Louisiana Association of Planning and Development Districts did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2010

09-1 Findings: Segregation of Duties

Status:

This finding has not been resolved. See current year finding 10-1.

LOUISIANA ASSOCIATION OF PLANNING  
AND DEVELOPMENT DISTRICTS

Corrective Action Plan  
Year Ended December 31, 2010

Response to Findings:

10-1 Segregation of Duties

Based on the size of the operation and the cost benefit of additional personnel, it is not feasible to achieve complete segregation of duties.

10-2 Timeliness of Report Finding

Management will provide future audit information in a timely manner to allow for the timely filing of the audit report.